

### REMARKS

Applicant has carefully reviewed this Application in light of the Office Action mailed June 2, 2008. Claims 1-52 are pending in this Application. Claims 1-7, 9, 12, 14, 15, 19, 20, 41-46, 50, and 52 stand rejected under 35 U.S.C. § 102(b, e) and Claims 8, 10, 11, 13, 16-18, 21-40, 47-49, and 51 stand rejected under 35 U.S.C. § 103(a). Applicant respectfully requests reconsideration and favorable action in this case.

#### **Rejections under 35 U.S.C. § 102**

Claims 1-7, 9, 12, 14, 15, 19, 20, 41-46, 50, and 52 stand rejected by the Examiner under 35 U.S.C. § 102(b, e) as being anticipated by U.S. Patent Publication 2003/0057276 filed by Lawrence Appalucci et al. ("*Appalucci*"). Applicant respectfully traverses and submits the cited art does not teach all of the elements of the claimed embodiment of the invention.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987). Furthermore, "the identical invention must be shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki Motor Co. Ltd.*, 868 F.2d 1226, 1236, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989). Applicant respectfully submits that the art cited as anticipatory by the Examiner cannot anticipate the rejected Claims, because the cited art does not show all the elements of the present Claims.

In the present case, Applicant respectfully submits that *Appalucci* fails to disclose, either explicitly or inherently "a verification and activation module coupled to the control circuits of the product, wherein the verification and activation module activates the control circuits of the product" as recited in Claim 1, "activating the product with the activation module" as recited in Claim 43, or "communicating with the verification and activation module such that the product is enabled for operation when a correct security code is communication to the verification and activation module" as recited in Claim 50.

In regard to Claim 1, the Examiner attempts to equate the barcode of *Appalucci* to the "control circuits" recited in Claim 1. (Office Action, Page 3). However, Applicant submits

that a barcode cannot be equivalent to a “control circuit.” Submitted herewith is an Information Disclosure Statement including the definition of the term “bar code” from the Merriam-Webster Online Dictionary. Merriam-Webster defines “bar code” as a “a code consisting of a group of printed and variously patterned bars and spaces and sometimes numerals that is designed to be scanned and read into computer memory and that contains information (as identification) about the object it labels.” Merriam-Webster Online Dictionary (2008) (retrieved June 30, 2008). Thus, a “bar code” is merely a label that identifies or provides information regarding a product or item. However, in no way could the definition provided above be construed to include a “control circuit” as a bar code, as so defined, is not a “circuit,” nor does it provide “control.” In addition, the present application makes it clear that a barcode and a control circuit are not equivalent. For example, see Figures 3 and 7 and associated specification text. For at least these reasons, *Appalucci* fails to disclose each and every limitation of Claim 1, and thus cannot anticipate Claim 1.

In regard to Claims 43 and 50, the Examiner asserts that Paragraph [0004] of *Appalucci* discloses “entering consumer information,” “programming the product information and consumer information into an activation module,” and “activating the product with the activation module” as recited in Claim 43, and discloses “providing a product having a verification and activation module” and “communicating with the verification and activation module such that the product is enabled for operation when a correct security code is communication to the verification and activation module,” as recited in Claim 50. Paragraph [0004] of *Appalucci* states in full:

In the present application, the term “primary identifier” should also be construed in its broadest sense. That is, the term primary identifier means any type of identification scheme, device, indicia, or the like, generally in a machine readable format, which may be placed on or in an item, placed on the packaging for an item, or may otherwise be associated with an item. A typical well-known primary identifier is a standard or enhanced barcode label of the type which may be used for identifying an item either during a manufacturing process, during storage or shipment, at the time of checkout from a retail or other facility or thereafter. Other types of primary identifiers include, but are not limited to magnetic stripes, radio frequency identification tags (with or without a chip or integrated circuit) and the like. A primary

identifier is typically one which is readily apparent and which can be conveniently read, usually in a non-contact manner by a machine, such as a barcode scanner, magnetic card swiper, radio frequency interrogator or the like for the purpose of automated identification of the item with which the primary identifier is associated.

(Paragraph [0004]).

Applicant notes that nothing in this Paragraph [0004] contemplates “entering consumer information,” “programming the product information and consumer information into an activation module,” and “activating the product with the activation module” as recited in Claim 43, or “providing a product having a verification and activation module” or “communicating with the verification and activation module such that the product is enabled for operation when a correct security code is communication to the verification and activation module,” as recited in Claim 50. No mention is made of consumer information, let alone the programming or entering of consumer information into an activation module or otherwise. In addition, this portion of *Appalucci* fails to disclose a “verification and activation module” let alone such a module configured to activate a product. Again, as noted by Applicant above with respect to Claim 1, the barcode disclosed by *Appalucci* is merely functional to identify a product, but plays no role in activation of or enabling a product. For at least these reasons, *Appalucci* fails to disclose each and every limitation of Claims 43 and 50, and thus cannot anticipate Claims 43 and 50.

Given that Claims 2-7, 9, 12, 14, 15, 19 and 20 depend from Claim 1 and Claims 44-46 depend from Claim 43, Applicant submits that Claims 2-7, 9, 12, 14, 15, 19, 20, and 44-46 are also allowable. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejections under § 102(b, e) and full allowance of Claims 1-7, 9, 12, 14, 15, 19, 20, and 43-46.

With respect to Examiner’s rejections of Claims 12, 41, 42 and 52 under 35 U.S.C. § 102(b, e), Applicant submit that such rejections are logically inconsistent under applicable law, as such Claims are dependent from base claims rejected under 35 U.S.C. § 103(a). For example, Claim 12 depends from Claim 10, Claims 41 and 42 depend from Claim 40, and Claim 52 depends from Claim 51. Each of Claim 10, 40 and 51 has been rejected under 35 U.S.C. § 103(a). Because “[a] claim in dependent form shall be construed to incorporate by

reference all the limitations of the claim to which it refers,” 35 U.S.C. § 112, fourth paragraph, Claim 10 incorporates all limitations of Claim 10, Claims 41 and 42 incorporate all limitations of Claim 41, and Claim 52 incorporates all limitations of Claim 51. Because such base Claims 10, 41 and 51 are rejected under two references under 35 U.S.C. § 103(a), it is logically impossible for Claims 12, 41, 42 and 52 to be anticipated by a single reference as is required. *See, e.g., Verdegaaal Bros., supra*, 814 F.2d at 631 (“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference”). Despite this inconsistency, Applicant submits that Claim 12 is allowable at least because it depends from Claim 1 shown to be allowable above, Claims 41 and 42 are allowable at least because they depend from Claim 41 shown to be allowable below, and Claim 52 is allowable at least because it depends from Claim 51 shown to be allowable below. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 102(b, e) and full allowance of Claims 12, 41, 42 and 52.

### **Rejections under 35 U.S.C. § 103**

Claims 8, 10, 11, 13, 16-18, 21-40, 47-49, and 51 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Appalucci* in view of U.S. Patent Publication 2004/0205343 filed by Gerald E. Forth et al. (“*Forth*”). Applicant respectfully traverses and submit the cited art combinations, even if proper, which Applicant does not concede, does not render the claimed embodiment of the invention obvious.

In order to establish a prima facie case of obviousness, the references cited by the Examiner must disclose all claimed limitations. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1974). Even if each limitation is disclosed in a combination of references, however, a claim composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art. *KSR Int’l. Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1741 (2007). Rather, the Examiner must identify an apparent reason to combine the known elements in the fashion claimed. *Id.* “Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal

conclusion of obviousness.” *Id.*, citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006). Finally, the reason must be free of the distortion caused by hindsight bias and may not rely on ex post reasoning. *KSR*, 127 S.Ct. at 1742. In addition, evidence that such a combination was uniquely challenging or difficult tends to show that a claim was not obvious. *Leapfrog Enterprises, Inc. v. Fisher-Price, Inc. and Mattel, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007), citing *KSR*, 127 S.Ct. at 1741.

Although Applicant makes now concessions regarding the rejections of Claims 8, 10, 11, 13, 16-18, and 47, Applicant submits that: (a) 8, 10, 11, 13 and 16-18 are allowable at least because they depend from Claim 1 shown to be allowable above; and (b) Claim 47 is allowable at least because it depends from Claim 43 shown to be allowable above.

In regard to Claims 21 and 33, the Examiner asserts that Paragraph [0004] of *Appalucci* discloses “a module programmer for programming the verification and activation module, the module programmer is coupled to the point of sale terminal, wherein information from the point of sale terminal is programmed into the verification and activation module so that the product is activated when coupled to the verification and activation module” as recited in Claims 21 and 33. (Office Action, Pages 10 and 13). As noted above, nothing in Paragraph [0004] repeated above contemplates “a verification and activation module,” let alone a product that “is activated when coupled to the verification and activation module” as recited in Claims 21 and 33. No mention is made of consumer information, let alone the programming or entering of consumer information into an activation module or otherwise. Again, as noted by Applicant above with respect to Claim 1, the barcode disclosed by *Appalucci* is merely functional to identify a product, but plays no role in activation of or enabling a product. For at least these reasons, *Appalucci* in combination with *Forth* fails to disclose each and every limitation of Claims 21 and 33, and thus the cited references cannot render obvious Claims 21 and 33.

In regard to Claims 38, 40, 48 and 49, the Examiner asserts that Paragraphs [0005], [0020] and [0048] of *Forth* disclose “a replacement product, wherein when the verification and activation module is removed from the original product and coupled to the replacement product, the replacement product is enabled for operation and the original product is disabled from operation” as recited in Claim 38, “a replacement product having a second verification and activation module, wherein when the first verification and activation module is in communication with the second verification and activation module, the replacement product is enabled for operation and the original product is disabled from operation” as recited in

Claim 40, “providing a replacement product,” “removing the verification and activation module from the original product,” and “installing the verification and activation module in the replacement product, wherein the replacement product is enabled for operation and the original product is disabled from operation” as recited in Claim 48, and “providing a replacement product having a second verification and activation module” and “communicating between the first and second verification and activation modules such that the replacement product is enabled for operation and the original product is disabled from operation” as recited in Claim 49. (Office Action, Pages 14-18). Paragraphs [0005], [0020] and [0048] of *Forth* state in full:

The insertion of counterfeit drugs into the distribution chain between pharmaceutical manufacturers and patients has recently been spotlighted in the United States. This crime has many victims. Patients are treated with diluted, useless, and frequently hazardous tablets or solutions resulting in injury. Manufacturers are deprived of the revenues associated with the products only they are entitled to manufacture and sell. The health care providers must deal with the fear and uncertainty in their patients. This problem is estimated to cost billions of dollars per year.

Aspects of the invention include a secure system and method of supplying and tracking authentic pharmaceutical products from origin at a manufacturer to a provider such as a hospital, retail pharmacy, or nursing home. The system employs authentication codes, such as machine readable codes including bar codes, or radio frequency (RF) tags, which can be applied to any level of packaging of the products to be transported from the manufacturer, including single dosage packages. A system server/database issues a number of authentication codes to a manufacturer, and the manufacturer applies the codes to product packaging and/or containers for shipment. When the products are ready for shipment, the manufacturer activates the codes (or code, depending on how many are used) by reading the authentication code with a code reader, and transmitting the code along with additional information about the product such as expiration date, type of product or medication, and shipment information such as destination and time for shipment, for example, to the system server/database. Communication with the system server/database can take place over a secure web link, for example, to ensure the security of the authentication code being activated.

The authentication module 64 at the server/database 62 is configured to receive and process authentication requests from the distribution authentication module 78 and provider authentication module 84 in order to verify that an authentication code from such modules corresponds to an ACTIVE authentication code stored at the

server/database 62. Verification of an authentication code includes determining whether the received authentication code is ACTIVE, and may also include correlation of product type, quantity, distributor or provider information, and final destination information with corresponding information stored at the server/database 62. The authentication module 64 may be configured to generate and send a notification message to the manufacturer in response to a verification request from a distributor or provider, wherein the message may include distributor or provider information in relation to a failed verification request, for example. In addition, the server/database 62 is configured to transmit information designated for the manufacturer 66 as received from distributors 66 and providers 80, such as notifications regarding successful or unsuccessful authentication code verifications.

(Paragraphs [0005], [0020], [0048]).

Applicant notes that nothing in these cited paragraphs contemplates providing a replacement product for an original product, let alone the removal of a module from the original product and coupling of the module to the replacement product. In addition, nothing in these cited paragraphs contemplate the activation of a replacement product and/or disabling of a product; in fact, it is difficult to understand how addition or removal of a product could somehow “activate” or “deactivate” the pharmaceuticals contemplated in *Forth* as Applicant is unaware of how a module could affect the efficacy of a drug. For at least these reasons, *Appalucci* in combination with *Forth* fails to disclose each and every limitation of Claims 38, 40, 48 and 49, and thus the cited references cannot render obvious Claims 38, 40, 48 and 49.

In regard to Claim 51, the Examiner asserts that Paragraph [0004] of *Appalucci* discloses “providing a product having a verification and activation module, wherein the verification and activation module has a non-volatile memory” and “writing into the non-volatile memory service information,” as recited in Claim 51. (Office Action, Page 18). However as noted above, nothing in Paragraph [0004] repeated above contemplates “a verification and activation module,” let alone a such a module with a non-volatile memory. No mention is made of service information, let alone the programming or entering of consumer information into a non-volatile memory or otherwise. For at least these reasons, *Appalucci* in combination with *Forth* fails to disclose each and every limitation of Claim 51, and thus the cited references cannot render obvious Claim 51.

Given that Claims 22-32 depend from Claim 21, Claims 34-37 depend from Claim 33, and Claim 39 depends from Claim 38, Applicant submits that Claims 22-32, 34-37 and 39 are also allowable. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 103(a) and full allowance of Claims 21-40, 47-49, and 51.

**Election/Restriction Requirement**

In the Office Action, the Examiner states that the Election of Species mailed on February 6, 2008 was withdrawn “[i]n light of applicant’s arguments and because the species are not patentably distinct.” Applicant submits that at no time during the prosecution of this Application has the Applicant asserted the putative species cited the Examiner were not patentably distinct. Applicant’s arguments traversing the Election of Species were directed at the Examiner’s failure to set forth reasons for the species election requirement, and the Applicant makes no concession regarding whether the putative species are patentably distinct or indistinct.

**Change of Correspondence Address**

Applicant respectfully requests that all papers pertaining to the above-captioned patent application be directed to Customer No. **31625** and all telephone calls should be directed to Brian Prewitt at 512.322.2684.

**Information Disclosure Statement**

Applicant encloses an Information Disclosure Statement “IDS” and authorizes the Commissioner to charge the amount of \$180.00 to Deposit Account No. 50-2148 of Baker Botts L.L.P. Applicant believes no additional fees are due, however the Commissioner is hereby authorized to charge any additional fees necessary or credit any overpayment to Deposit Account No. 50-2148 of Baker Botts L.L.P in order to effectuate this filing.



**CONCLUSION**

Applicant has made an earnest effort to place this case in condition for allowance in light of the amendments and remarks set forth above. Applicant respectfully requests reconsideration of Claims 1-52.

Applicant believes there are no additional fees due at this time; however, the Commissioner is hereby authorized to charge any fees necessary or credit any overpayment to Deposit Account No. 50-2148 of Baker Botts L.L.P.

If there are any matters concerning this Application that may be cleared up in a telephone conversation, please contact Applicant's attorney at 512.322.2684.

Respectfully submitted,  
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Date: July 25, 2008

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